

with the applicable statutory, executive order, or regulatory authority.

§ 26.210 Voluntary exclusion.

Persons who accept voluntary exclusions under § 26.315 are excluded in accordance with the terms of their settlements. Department of Commerce shall, and participants may, contact the original action agency to ascertain the extent of the exclusion.

§ 26.215 Exception provision.

The Department of Commerce may grant an exception permitting a debarred, suspended, or voluntarily excluded person, or a person proposed for debarment under 48 CFR part 9, subpart 9.4, to participate in a particular covered transaction upon a written determination by the agency head or an authorized designee stating the reason(s) for deviating from the Presidential policy established by Executive Order 12549 and § 26.200. However, in accordance with the President's stated intention in the Executive Order, exceptions shall be granted only infrequently. Exceptions shall be reported in accordance with § 26.505(a).

[60 FR 33041, 33044, June 26, 1995]

§ 26.220 Continuation of covered transactions.

(a) Notwithstanding the debarment, suspension, proposed debarment under 48 CFR part 9, subpart 9.4, determination of ineligibility, or voluntary exclusion of any person by an agency, agencies and participants may continue covered transactions in existence at the time the person was debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, declared ineligible, or voluntarily excluded. A decision as to the type of termination action, if any, to be taken should be made only after thorough review to ensure the propriety of the proposed action.

(b) Agencies and participants shall not renew or extend covered transactions (other than no-cost time extensions) with any person who is debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, ineli-

gible or voluntarily excluded, except as provided in § 26.215.

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§ 26.225 Failure to adhere to restrictions.

(a) Except as permitted under § 26.215 or § 26.220, a participant shall not knowingly do business under a covered transaction with a person who is—

- (1) Debarred or suspended;
- (2) Proposed for debarment under 48 CFR part 9, subpart 9.4; or
- (3) Ineligible for or voluntarily excluded from the covered transaction.

(b) Violation of the restriction under paragraph (a) of this section may result in disallowance of costs, annulment or termination of award, issuance of a stop work order, debarment or suspension, or other remedies as appropriate.

(c) A participant may rely upon the certification of a prospective participant in a lower tier covered transaction that it and its principals are not debarred, suspended, proposed for debarment under 48 CFR part 9, subpart 9.4, ineligible, or voluntarily excluded from the covered transaction (See appendix B of these regulations), unless it knows that the certification is erroneous. An agency has the burden of proof that a participant did knowingly do business with a person that filed an erroneous certification.

[60 FR 33041, 33044, June 26, 1995]

Subpart C—Debarment

§ 26.300 General.

The debarring official may debar a person for any of the causes in § 26.305, using procedures established in §§ 26.310 through 26.314. The existence of a cause for debarment, however, does not necessarily require that the person be debarred; the seriousness of the person's acts or omissions and any mitigating factors shall be considered in making any debarment decision.

§ 26.305 Causes for debarment.

Debarment may be imposed in accordance with the provisions of §§ 26.300 through 26.314 for:

- (a) Conviction of or civil judgment for: